

CITY OF BISMARCK POLICE PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2004

	December-04					September-04				Current Fiscal YTD	Prior Year FY04	3 Years Ended 6/30/2004 Net	5 Years Ended 6/30/2004 Net
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR		
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
LA Capital	712,626	5.1%	5.1%	10.52%	4.78%	644,557	5.0%	5.1%	-4.17%	5.92%	N/A	N/A	N/A
Total Structured Growth	712,626	5.1%	5.1%	10.52%	4.78%	644,557	5.0%	5.1%	-4.17%	5.92%	19.20%	-5.87%	-7.07%
Russell 1000 Growth				9.17%	3.92%				-5.23%	3.47%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>													
LSV	775,113	5.6%	5.1%	9.12%	2.80%	710,399	5.5%	5.1%	3.11%	12.51%	29.44%	9.20%	8.31%
Russell 1000 Value				10.38%	3.35%				1.54%	12.08%	21.13%	2.96%	0.64%
<i>Enhanced Russell 1000 Index</i>													
LA Capital	942,345	6.8%	6.9%	9.18%	3.59%	863,143	6.7%	6.9%	-2.24%	6.74%	18.59%	-0.17%	N/A
Russell 1000				9.80%	3.62%				-1.81%	7.81%	19.48%	-0.32%	N/A
<i>Enhanced S&P 500 Index</i>													
Northern Trust	949,852	6.8%	6.9%	9.18%	3.29%	869,971	6.7%	6.9%	-2.17%	6.81%	19.00%	-0.31%	N/A
Strong	-	0.0%	0.0%	N/A	N/A	1	0.0%	0.0%	N/A	N/A	21.13%	-0.06%	N/A
Westridge	947,348	6.8%	6.9%	9.50%	3.44%	866,703	6.7%	6.9%	-1.94%	7.38%	19.30%	-0.36%	N/A
Total Enhanced S&P 500 Index	1,897,200	13.7%	13.7%	9.34%	3.37%	1,736,674	13.5%	13.7%	-2.13%	7.01%	19.81%	-0.24%	N/A
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.69%	N/A
<i>S&P 500 Index</i>													
State Street	482,601	3.5%	3.4%	9.23%	3.41%	441,800	3.4%	3.4%	-1.87%	7.19%	19.08%	-0.67%	-2.17%
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.69%	-2.20%
TOTAL LARGE CAP DOMESTIC EQUITY	4,809,885	34.7%	34.3%	9.44%	3.53%	4,396,574	34.1%	34.3%	-1.59%	7.70%	20.38%	0.08%	-2.14%
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.69%	-2.20%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	1,636,897	11.8%	10.7%	14.79%	3.88%	1,424,802	11.0%	10.7%	-3.59%	10.67%	33.33%	5.76%	N/A
Russell 2000 + 200bp				14.64%	3.13%				-2.36%	11.93%	35.99%	8.43%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	1,636,897	11.8%	10.7%	14.79%	3.88%	1,424,802	11.0%	10.7%	-3.59%	10.67%	33.33%	5.76%	6.81%
Russell 2000				14.09%	2.96%				-2.86%	10.83%	33.36%	6.24%	6.63%
INTERNATIONAL EQUITY													
<i>Large Cap - Core</i>													
State Street	84,306	0.6%	0.6%	10.22%	4.34%	143,442	1.1%	1.1%	-1.24%	8.85%	27.44%	0.42%	-1.44%
MSCI EAFE (1)				11.69%	4.39%				-0.72%	10.89%	26.98%	-1.27%	-1.15%
<i>Large Cap - Active</i>													
Capital Guardian	241,131	1.7%	1.7%	10.34%	3.70%	345,088	2.7%	2.8%	-1.48%	8.71%	25.40%	-1.15%	1.54%
LSV	229,300	1.7%	1.7%		4.67%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	(30)	0.0%	0.0%		N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Bank of Ireland	83,242	0.6%	0.6%	16.02%	5.56%	70,500	0.5%	0.6%	-1.07%	14.78%	23.61%	N/A	N/A
Total Large Cap - Active	553,643	4.0%	3.9%	11.63%	4.34%	415,588	3.2%	3.3%	-1.41%	10.06%	25.11%	-0.79%	1.76%
MSCI EAFE - 50% Hedged				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-1.15%
<i>Small Cap - Active</i>													
Lazard	81,278	0.6%	0.6%	16.15%	4.36%	75,375	0.6%	0.6%	0.76%	17.03%	44.40%	N/A	N/A
Wellington	79,568	0.6%	0.6%	13.12%	4.08%	69,143	0.5%	0.6%	-4.63%	7.89%	42.26%	N/A	N/A
Total Small Cap - Active	160,846	1.2%	1.1%	14.63%	4.22%	144,519	1.1%	1.1%	-1.92%	12.43%	43.25%	N/A	N/A
Citigroup Broad Market Index < \$2BN				16.82%	4.90%				-0.82%	15.86%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	798,795	5.8%	5.5%	11.66%	4.34%	703,548	5.5%	5.5%	-1.47%	10.01%	29.19%	2.00%	1.63%
MSCI EAFE - 50% Hedged				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-1.15%
EMERGING MARKETS EQUITY													
Capital Guardian	289,908	2.1%	2.0%	15.37%	5.13%	251,121	1.9%	2.0%	7.64%	24.19%	27.91%	8.93%	2.83%
MSCI Emerging Markets Free				17.27%	4.81%				8.25%	26.95%	33.50%	13.09%	3.25%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	405,670	2.9%	3.1%	1.25%	1.04%	400,717	3.1%	3.0%	3.67%	4.97%	2.02%	8.00%	8.39%
Lehman Aggregate				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
<i>Active Duration</i>													
WestAM (Criterion)	400,077	2.9%	3.1%	1.06%	0.82%	395,944	3.1%	3.0%	2.75%	3.83%	-0.25%	5.14%	6.43%
Lehman Aggregate				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
<i>Index</i>													
Bank of ND	675,803	4.9%	5.9%	0.70%	1.04%	669,044	5.2%	5.8%	3.46%	4.18%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	215,932	1.6%	1.6%	1.26%	0.42%	214,825	1.7%	1.7%	1.21%	2.48%	5.08%	5.57%	5.70%
Total Index	891,735	6.4%	7.5%	0.87%	0.85%	883,869	6.9%	7.5%	3.05%	3.94%	0.23%	6.79%	6.83%
Lehman Gov/Credit				0.80%	1.06%				3.56%	4.39%	-0.72%	6.73%	7.10%
<i>Convertibles</i>													
TCW	422,256	3.0%	3.1%	8.54%	3.01%	389,170	3.0%	3.0%	-3.94%	4.26%	16.74%	0.51%	3.89%
First Boston Convertible Index				5.37%	2.08%				-1.05%	4.26%	14.44%	4.95%	5.78%

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	December-04					September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	6/30/2004 Net	6/30/2004 Net
BBB Average Quality													
Wells Capital (formerly Strong)	407,645	2.9%	3.1%	3.94%	1.58%	391,410	3.0%	3.0%	4.62%	8.73%	1.29%	6.26%	7.23%
<i>Lehman BBB</i>				1.69%	1.56%				4.76%	6.53%	1.23%	8.23%	6.60%
Timberland													
<i>RMK</i>	499,677	3.6%	3.6%	8.02%	8.31%	466,787	3.6%	3.6%	3.86%	12.19%	10.46%	N/A	N/A
<i>TIR</i>	892,325	6.4%	6.4%	0.43%	0.27%	891,416	6.9%	6.9%	N/A	N/A	N/A	N/A	N/A
Total Timberland	1,392,001	10.0%	10.0%	3.04%	3.03%	1,358,203	10.5%	10.5%	3.86%	7.01%	10.46%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	3,919,384	28.2%	30.0%	2.69%	1.90%	3,819,313	29.6%	30.0%	2.69%	5.45%	5.08%	6.35%	7.34%
<i>Lehman Aggregate</i>				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
HIGH YIELD BONDS													
Loomis Sayles	356,488	2.6%	2.5%	7.13%	2.59%	332,737	2.6%	2.5%	6.23%	13.81%	N/A	N/A	N/A
<i>Lehman High Yield Cash Pay Index</i>				4.51%	1.47%				4.85%	9.57%	N/A	N/A	N/A
Sutter/Wells Capital	345,571	2.5%	2.5%	3.98%	1.02%	332,404	2.6%	2.5%	4.20%	8.35%	N/A	N/A	N/A
<i>Merrill Lynch High Yield Master II Index</i>				4.55%	1.51%				4.63%	9.39%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	702,059	5.1%	5.0%	5.56%	1.81%	665,141	5.2%	5.0%	5.21%	11.06%	7.69%	6.68%	2.79%
<i>Lehman High Yield Bond Index</i>				4.57%	1.49%				4.85%	9.64%	10.33%	9.30%	4.78%
INTERNATIONAL FIXED INCOME													
International Sovereign													
UBS Global (Brinson)	322,955	2.3%	2.3%	10.41%	1.80%	289,932	2.2%	2.3%	3.06%	13.79%	7.86%	14.20%	6.47%
<i>Citigroup Non-US Gov't Bond Index (2)</i>				10.63%	1.89%				3.29%	14.27%	7.59%	13.65%	6.84%
International Core													
Brandywine	323,170	2.3%	2.3%	9.22%	1.88%	298,484	2.3%	2.3%	4.74%	14.40%	9.65%	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				10.66%	1.92%				3.49%	14.52%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	646,124	4.7%	4.5%	9.81%	1.84%	588,417	4.6%	4.5%	3.90%	14.09%	8.78%	14.41%	6.59%
<i>Citigroup Non-US Gov't Bond Index (2)</i>				10.63%	1.89%				3.29%	14.27%	7.59%	13.65%	6.84%
REAL ESTATE													
J.P. Morgan	684,628	4.9%	5.0%	2.85%	1.83%	665,634	5.2%	5.0%	3.83%	6.80%	11.11%	7.63%	9.54%
<i>NCREIF TOTAL INDEX</i>				4.69%	1.54%				3.42%	8.27%	10.82%	8.40%	9.33%
ALTERNATIVE INVESTMENTS													
<i>Coral Partners V</i>	27,088			-4.59%	0.00%	31,850			6.37%	1.49%	-31.07%	-34.06%	-13.63%
<i>Coral Partners V - Supplemental</i>	3,199			2.90%	0.00%	3,788			2.37%	5.34%	30.44%	N/A	N/A
<i>Coral Partners VI</i>	17,453			-2.08%	0.00%	20,599			-0.28%	-2.35%	-21.72%	N/A	N/A
<i>Brinson 1998 Partnership Fund</i>	6,840			-0.98%	4.02%	9,112			3.37%	2.35%	9.41%	-7.52%	3.66%
<i>Brinson 1999 Partnership Fund</i>	12,447			2.80%	2.80%	13,584			0.48%	3.29%	14.66%	-9.09%	-1.33%
<i>Brinson 2000 Partnership Fund</i>	23,169			3.30%	3.30%	25,161			3.01%	6.41%	11.19%	-6.65%	N/A
<i>Brinson 2001 Partnership Fund</i>	12,381			1.05%	0.42%	11,368			0.81%	1.87%	6.64%	-2.03%	N/A
<i>Brinson 2002 Partnership Fund</i>	7,793			-4.00%	4.58%	6,400			-4.97%	-8.76%	14.42%	N/A	N/A
<i>Brinson 2003 Partnership Fund</i>	1,235			2.02%	-0.63%	857			-2.71%	-0.74%	-4.63%	N/A	N/A
<i>Brinson 1999 Non-US Partnership Fund</i>	7,071			7.91%	7.91%	7,850			5.73%	14.09%	21.09%	8.14%	4.24%
<i>Brinson 2000 Non-US Partnership Fund</i>	8,066			2.89%	1.57%	9,571			3.24%	6.22%	15.38%	5.71%	N/A
<i>Brinson 2001 Non-US Partnership Fund</i>	6,080			-1.63%	0.07%	5,846			0.86%	-0.79%	16.63%	3.39%	N/A
<i>Brinson 2002 Non-US Partnership Fund</i>	9,953			6.60%	3.86%	9,537			0.27%	6.89%	18.67%	N/A	N/A
<i>Brinson 2003 Non-US Partnership Fund</i>	2,678			-0.78%	-0.78%	2,061			-0.12%	-0.90%	-3.93%	N/A	N/A
<i>Brinson 2004 Non-US Partnership Fund</i>	350			-1.76%	-1.76%	400			0.09%	-1.67%	N/A	N/A	N/A
<i>Brinson BVCF IV</i>	36,181			-0.88%	0.00%	44,981			6.66%	5.72%	21.17%	-9.85%	-10.01%
<i>Matlin Patterson Global Opportunities</i>	26,995			4.11%	2.95%	44,084			-3.26%	0.72%	13.00%	N/A	N/A
<i>Matlin Patterson Global Opportunities II</i>	20,774			-1.12%	8.74%	-			N/A	N/A	N/A	N/A	N/A
<i>InvestAmerica</i>	9,032			0.00%	0.00%	10,133			17.28%	17.28%	-7.73%	N/A	N/A
<i>Hearthstone MSII</i>	0			536.18%	140.24%	1,155			106.69%	1214.92%	28.64%	20.32%	N/A
<i>Hearthstone MSIII</i>	47,250			1.26%	0.00%	52,350			-0.08%	1.18%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	286,038	2.1%	3.0%	2.75%	2.61%	310,686	2.4%	3.0%	2.92%	5.74%	7.05%	-11.71%	-3.15%
CASH EQUIVALENTS													
Northern Trust STIF/STEP	101,635	0.7%	0.0%	0.45%	0.17%	70,617	0.5%	0.0%	0.44%	0.89%	1.44%	1.86%	3.48%
<i>90 Day T-Bill</i>				0.48%	0.21%				0.37%	0.85%	0.98%	1.71%	3.29%
TOTAL FUND	13,875,353	100.0%	100.0%	7.49%	2.86%	12,895,852	100.0%	100.0%	0.59%	8.13%	15.99%	4.25%	3.59%
POLICY TARGET BENCHMARK				6.89%	2.38%				0.80%	7.75%	13.67%	4.14%	3.12%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.